

# **SALT ROCK PALMS**

## **SHARE BLOCK (PTY)LTD**



Notice of the Annual Shareholders  
Meeting  
21<sup>st</sup> JULY 2018

Annual Reports  
For the year ended  
31<sup>st</sup> December 2017

## **NOTICE OF THE ANNUAL SHAREHOLDERS MEETING**

Of

Salt Rock Palms Share Block (Pty) Ltd (Reg No 1988/005970/07 for the year ended December 2017

Notice is hereby given that the Annual Shareholders Meeting of the members of the company will be held at the **Salt Rock Hotel, 59 Basil Hulett Drive, Salt Rock on Saturday the 21<sup>st</sup> July 2018** at 10h00 in Queen Palm Conference centre to attend to the following matters.

Kindly take note that the full documents are available on the website at [www.saltrockbeach.co.za/timeshare.html](http://www.saltrockbeach.co.za/timeshare.html) If you require any further details please contact Brian Carr on 032 9460634 or 0814052228 or the Timeshare office on 032 525 4397. Due to the fact that the documents are rather lengthy, electronic copies of the full notice of meeting are available on request, and a hard copy is available at the registered offices for scrutiny. Should you wish to have sight of this document or to obtain a hard copy please contact senior management who will assist you.

1. Open and Welcome
2. Election of the Chair of the meeting
3. Proxies / apologies and Quorum
4. Presentation of the minutes of the previous Annual Shareholders Meeting held on the 15<sup>th</sup> July 2017
5. Matters arising out of the previous minutes.
6. Directors review
7. Presentation of the Annual Financial Statements for the year ended 31<sup>st</sup> December 2017
8. Approval of Auditor's remuneration
9. Appointment of Auditors.
10. Approval of Insurance values with or without amendments
11. Election of Directors
12. Dissolution of meeting

Items for discussion under any agenda item should be communicated in writing to the Secretary at the company's timeshare office no later than 7 days prior to the commencement of the meeting.

The following documents are attached:

1. Proxy form
2. Directors nomination form
3. RSVP
4. Directors review
5. Tender form
6. AFS
7. Insurance schedule

**By order of the Board**  
**Salt Rock Palms Share Block (Pty)Ltd**  
**P.O.Box 156**  
**Salt Rock**  
**4391**

## **DIRECTORS REVIEW**

Your Directors have pleasure in submitting this report. We encourage you to attend the Annual Shareholders Meeting. Please submit your proxies timeously if you are unable to attend.

Your Directors continue to strive to meet our financial goals and are proud to announce that the cash flow of the company is secure. Following on from the previous ASM on-going changes and improvements to the units have been made.

Constant change ensures that our shareholders enjoy their holiday experiences. A few changes each year means a new experience each time you return. Something always to look forward to! We continue to maintain our RCI Silver Crown status and we are indeed proud of this accomplishment.

## **CUSTOMER SATISFACTION**

- Staff, are constantly made aware of customer service and we continue to build on this relationship. We are proud of the staff's achievements and note the wonderful remarks made about the good work they do. Thank you to all our staff!

## **THE COMPLEX**

- The hotel continues to provide excellent service in terms of the service level agreement, which enables members and their guests to enjoy the extended facilities.

## **FINANCIAL MATTERS**

- Your directors wish to take this opportunity in thanking all those shareholders for remitting their levies within the prescribed period.
- Our annual budget process takes cognisance of the aging of the resort and equipment and the need to provide for the replacement thereof on a cyclical basis. The service levels agreements enable us to share operating costs with the hotel, and obviate the need of carrying unnecessary overheads or fixed costs. We are fortunate to advise that our members understand and fully endorse this process.
- We have a strategic replacement plan for our future refurbishments which are then funded from our refurbishment reserve fund and we are well within our target of achieving this.
- A small number of members defaulted in terms of their levy obligations. These weeks, after letters of demand were issued and no responses received, were on-sold by tender process and in terms of the Companies lien and pledge. The Directors have a duty to continue to take appropriate actions against those who fail to comply in terms of their levy obligations and the terms of the use agreement.

## **CONCLUSION**

- We would like to thank all the shareholders for their support. The feedback form gives us valuable information and assists us in striving to achieve excellent results.
- ***We would like to appeal to members who believe that they can make a positive contribution to the Company to make themselves available to serve on the board and to contribute to the corporate governance and strategic direction of the company. If you believe you can make a positive contribution and accept the fiduciary responsibility that flows from such an appointment, please complete the attached nomination form. Directors are then appointed by the members at the ASM.***
- ***The board appeals to all to keep the company informed of change of addresses and telephone and cell numbers. This is extremely important to maintain communications.***

Finally, we need to once again thank all staff including those from the hotel for their valuable input, dedication and assistance, without their contributions your board would not have been able to function as it has and our members and their guests would not have had new memories and experiences to share about their stay at Salt Rock Palms.

**The Directors.**

*Salt Rock Palms Share Block (Pty)Ltd* registration number: 1988/005970/07

**REPOSSESSED UNITS OFFERED ON TENDER** (There are no units that have been repossessed)

Shareholders can contact the timeshare office for details should they be interested in making any offers on weeks that could be available for tender. You can send an Email to Shamini at [palms@saltrockbeach.co.za](mailto:palms@saltrockbeach.co.za) who will gladly forward you the required information to enable you to then complete the tender form below.

**TENDER FORM**

CLOSING DATE FOR TENDERS 11<sup>th</sup> July 2018.

Address for tender P.O.Box 156, Salt Rock 4391 fax: 0866696143 Email: [palms@saltrockbeach.co.za](mailto:palms@saltrockbeach.co.za)

I the undersigned.....hereby tender to purchase for the following week(s) being sold by tender pursuant to the provisions of the Use agreement and the Pledge and lien on the shares held by the company so as to defray the outstanding levy and administration fees.

Present owner: ..... Week No ..... Unit No:..... My Tender price of .....

I undertake to pay the tender price to the Company within 24 hours of notice of acceptance of my tender, failing which the tender lapses. I further undertake to pay the costs related to the transferring of the week(s) concerned (+/- R920.00 per week) per private transaction.

Signed at ..... this..... day of.....2018

SIGNATURE .....

Witness: ..... Date: .....

**FORM OF PROXY**

**ANNUAL SHAREHOLDERS MEETING**

**Salt Rock Palms Share Block Limited.**  
 Registration number: 1988/005970/07

**P.O.Box 156**  
 Salt Rock 4391  
 Fax No 086 505 4141

Form of proxy for use by Shareholders at the Annual Shareholders Meeting of the Company to be held at the **Salt Rock Hotel, Basil Hulett Drive on Saturday 21<sup>st</sup> July 2018 at 10H00.**

**Form of Proxy**

I ..... , being the holder/s of ..... Votes / shares 4 sleeper = 2 votes  
6 sleeper = 4 votes

(week no / unit no.....) in the Company, appoint .....

ID no .....or

failing him, ..... ID no: ..... or failing

him the Chair of the Meeting

As my proxy to vote on my behalf at the Annual Shareholders Meeting of the Company, to be held on the above-mentioned date and at any adjournment thereof as follows: -

	In favour of	Against	Abstain
Appointment of auditors Baker Tilly Morrison Murray			
Payment of Auditors			
Insurance values			
<b>Appointment of Directors</b>			
Linda Labidi alt Craig Hulett			
Brian Carr			
Jack Rotter			

(Indicate instruction given to proxy by means of a cross in the space provided)

Unless otherwise instructed the proxy will vote as he thinks fit.

Signed at ..... this ..... Day of ..... 2018

Signature: ..... Assisted by ..... (where applicable)

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Please kindly note:

- ✦ *Meeting participants (including Proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a Members' meeting. Forms of identification include valid identity documents, driver's licenses and passports.*
- ✦ *Any alteration or correction made to this form of Proxy (excluding the deletion of alternatives and excluding the deletion of singular / plural alternatives) must be initialled by the signatory/s.*
- ✦ *Documentary evidence establishing the authority of a person signing this form of Proxy in a representative capacity (e.g. on behalf of a Company, Close Corporation or Trust) must be attached to this form.*
- ✦ *The completion and lodging of this form of Proxy will not preclude the relevant Member from attending the meeting and speaking and voting in person thereat, to the exclusion of any Proxy appointed in terms thereof, should such Member wish to do so.*
- ✦ *Any Member entitled to attend and vote is entitled to appoint a Proxy to attend, vote or speak in his / her stead and such Proxy need not also be a Member of the Company.*
- ✦ *This Proxy form should be forwarded to reach the registered office of the Company, no later than 48 hours before the commencement of the meeting.*
- ✦ *E Mail and Facsimile copies of this Proxy form must be duly verified before commencement of the meeting to be eligible for acceptance.*

*If the requirements contained herein are not fulfilled the Proxy form and or the nomination of the Proxy will be null and void*

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## NOMINATION FORM

**NOMINATION FORM FOR DIRECTORS FOR USE BY SHAREHOLDERS AT THE ASM OF THE COMPANY TO BE HELD AT THE SALT ROCK HOTEL, 59 BASIL HULETT DRIVE ON SATURDAY 21<sup>st</sup> July 2018 at 10h00.**

### CRITERIA FOR NOMINATION

1. A director will be required to attend at least 2 meetings during the course of the year.
2. A director must have direct access to Email as important issues and decision-making is made via this medium.
3. The nominee must not be precluded from serving as a Director as set out in the Companies Act.
4. An abridged CV to be sent with this form.

### PROPOSER

Name of Proposer: \_\_\_\_\_

Unit No \_\_\_\_\_ Week No \_\_\_\_\_

I would like to nominate the following shareholder to the board and confirm that he/she is not precluded from serving as a Director and has accepted the nomination.

Signed by Proposer .....

Name of Nominee: \_\_\_\_\_

Address: \_\_\_\_\_

Tel: \_\_\_\_\_ Cell: \_\_\_\_\_

Email address: \_\_\_\_\_

Envisaged contributions:

.....  
.....  
.....

Acceptance of Nominee \_\_\_\_\_

Date \_\_\_\_\_

Nomination forms duly completed must reach the secretary of the company at least 48 hours prior to the commencement of the meeting.

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## General Information

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**Country of incorporation and domicile** South Africa

**Nature of business and principal activities** Timeshare

### Directors

C R Hulett

J F Rotter

B L Carr

L J Labidi

**Registered office** 59 Basil Hulett Drive

Salt Rock

4391

**Business address** 59 Basil Hulett Drive, Salt Rock 4391

Salt Rock

4391

**Auditors** Baker Tilly Morrison Murray

Registered Auditors

Chartered Accountants (SA)

**Secretary** B L Carr

**Company registration number** 1988/005970/07

**Tax reference number** 9263/067/20/0

### Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### Preparer

The annual financial statements were independently compiled by:

NTTB Zuma

Professional Accountant (SA)

**Issued** 27 March 2018

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

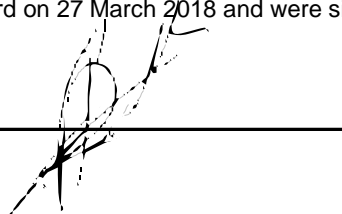
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2018 and, in the light of this review and operational existence for the foreseeable future.

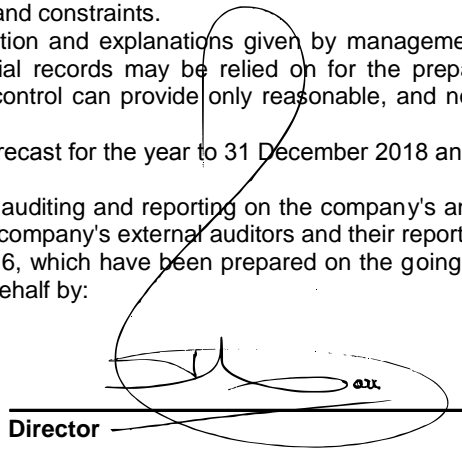
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4 - 6.

The annual financial statements set out on pages 9 to 16, which have been prepared on the going concern basis, were approved by the board on 27 March 2018 and were signed on its behalf by:

Director



Director



# Independent Auditor's Report

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To the shareholders of Salt Rock Palms Share Block (Pty) Ltd

## ***Opinion***

We have audited the annual financial statements of Salt Rock Palms Share Block (Pty) Ltd set out on pages 9 to 16, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Salt Rock Palms Share Block (Pty) Ltd as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

## ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Other information***

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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# Independent Auditor's Report

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## ***Responsibilities of the directors for the Annual Financial Statements***

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## ***Auditor's responsibilities for the audit of the Annual Financial Statements***

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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# Independent Auditor's Report

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Baker Tilly Morrison Murray Registered Auditors Chartered Accountants (SA) Per: M Sharpley Partner**  
**27 March 2018**

**20 Westville Road Westville 3629**

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Salt Rock Palms Share Block (Pty) Ltd for the year ended 31 December 2017.

### 1. History of the company

The company was incorporated on 20 October 1988, with the objective of operating a share block scheme on a timesharing basis, which affords members the right to occupy a cabana for a specified week each year.

The ten cabanas in the scheme were completed, and occupation given, on 9 December 1988.

All expenditure incurred between the date of the company's incorporation and the date of occupation was defrayed by the developers.

### 2. Nature of business

The company operates a time-sharing scheme within a share block company, in respect of property leased by the company which is situated at 59 Basil Hulett Drive, Salt Rock. The time-sharing scheme entitles a shareholder to use specified parts of the leased property in accordance with the use agreement entered into between the shareholder and the company.

The company's issued share capital is divided into share blocks, each comprising a number of shares, and identified with an apartment in the share block. In terms of the use agreement entered into by and between the share block holder and the company, the holder acquired the right to the use and occupation of an apartment, and the use along with other share block holders of the common property.

The share block allocation comprises:

<b>Cabanas number</b>	<b>Number of Shares</b>	<b>Total Share block</b>	<b>share blocks</b>	<b>shares</b>
6 two bedroom	306	4	1,224	1 - 306
4 one bedroom	204	2	408	307 - 510
	510		1,632	

The company's activities are funded by the monthly levies received from share block holders.

There have been no material changes to the nature of the company's business from the prior year.

### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 4. Share capital

			2017	2016	
<b>Authorised</b>				Number of shares	
Ordinary shares			1,632	1,632	
<b>Issued</b>		2017	2016	2017	2016
		R	R		
Number of shares Ordinary shares		1,632	1,632	1632	1,632

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There have been no changes to the authorised or issued share capital during the year under review.

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Directors' Report

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### 5. Management agreement

The company is managed by Salt Rock Hotel (Pty) Ltd, a company in which two of the directors have a 100% interest.

### 6. Directors

The directors in office at the date of this report are as follows:

#### **Directors**

C R Hulett	Alternate director
J F Rotter	Director
B L Carr	Director
L J Labidi	Director
J W Meyer	Director

#### **Changes**

Deceased 9 February 2017

### 7. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report. **8. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 10. Auditors

Baker Tilly Morrison Murray continued in office as auditors for the company for 2017. **11.**

#### **Secretary**

The company secretary is B L Carr.  
Business address  
59 Basil Hulett Drive  
Salt Rock  
4391

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Statement of Financial Position as at 31 December 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	34,482	49,375
Share block holders' loans	3	1,853,674	1,853,674
		<b>1,888,156</b>	<b>1,903,049</b>
<b>Current Assets</b>			
Trade and other receivables	4	26,735	77,796
Current tax receivable		715	-
Cash and cash equivalents	5	3,366,119	2,751,884
		<b>3,393,569</b>	<b>2,829,680</b>
<b>Total Assets</b>		<b>5,281,725</b>	<b>4,732,729</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	1,632	1,632
Replacement reserve fund		7,164	7,164
Accumulated surplus		2,711,258	2,216,109
		<b>2,720,054</b>	<b>2,224,905</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Share block holders' loans	3	2,000,016	2,000,016
<b>Current Liabilities</b>			
Trade and other payables	7	561,655	501,429
Current tax payable		-	6,379
		<b>561,655</b>	<b>507,808</b>
<b>Total Liabilities</b>		<b>2,561,671</b>	<b>2,507,824</b>
<b>Total Equity and Liabilities</b>		<b>5,281,725</b>	<b>4,732,729</b>



# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
<b>Other income</b>			
Levy income		2,260,747	2,123,962
Other income		7,052	18,264
Interest received		140,937	132,234
		<b>2,408,736</b>	<b>2,274,460</b>
<b>Operating expenses</b>			
Administration and management fees		222,323	207,270
Assessment rates & municipal charges		101,412	107,475
Auditors remuneration	8	18,946	21,895
Bank charges		12,550	10,712
Cleaning		348,727	301,144
Consumables		7,978	7,251
Depreciation		14,893	14,893
Donations		702	-
Entertainment		473	2,710
Garden services, plants and decor (pro rata share)		165,043	90,648
Insurance		27,365	23,442
Laundry		66,564	76,113
Legal expenses		1,235	-
Linen		18,220	60,235
Meeting expenses		18,571	18,236
Municipal expenses		112,362	114,084
Pest control		3,452	4,131
Printing and stationery		9,949	17,525
Public area (pro-rata share)		137,497	127,312
Reception (pro-rata share)		171,872	159,141
Refuse removal		35,006	32,756
Rental and commission		8,201	-
Repairs and maintenance		148,700	184,587
Salaries and wages		5,516	-
Security		165,694	153,420

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

Television & M-Net maintenance		26,103	23,364
Travel - local		2,526	3,278
Uniforms		6,070	574
Water		31,125	30,742
		<b>1,889,075</b>	<b>1,792,938</b>
<b>Surplus before taxation</b>		<b>519,661</b>	<b>481,522</b>
Taxation	9	(24,512)	(25,171)
<b>Surplus for the year</b>		<b>495,149</b>	<b>456,351</b>

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Statement of Changes in Equity

Figures in Rand	Share capital	Other NDR	Accumulated surplus	Total equity
<b>Balance at 1 January 2016</b>	<b>1,632</b>	<b>7,164</b>	<b>1,759,758</b>	<b>1,768,554</b>
<b>Surplus for the year</b>	-	-	<b>456,351</b>	<b>456,351</b>
<b>Balance at 1 January 2017</b>	<b>1,632</b>	<b>7,164</b>	<b>2,216,109</b>	<b>2,224,905</b>
<b>Surplus for the year</b>	-	-	<b>495,149</b>	<b>495,149</b>
<b>Balance at 31 December 2017</b>	<b>1,632</b>	<b>7,164</b>	<b>2,711,258</b>	<b>2,720,054</b>
Note	6			

## Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	504,904	171,964
Interest income		140,937	132,234
Tax paid		(31,606)	(37,584)
<b>Net cash from operating activities</b>		<b>614,235</b>	<b>266,614</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		2,751,884	2,485,270
<b>Total cash at end of the year</b>	5	<b>3,366,119</b>	<b>2,751,884</b>

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Accounting Policies

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### **1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### **1.1 Leasehold property**

Leasehold property is reflected at no value as the right of use of the property has been passed by the share block company to the share block holders.

#### **1.2 Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

#### Furniture and Fixtures

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Item	Depreciation method	Average useful life
	Straight line	6 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficient.

#### **1.3 Financial instruments**

##### **Initial measurement**

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial assets and liabilities that are measured at fair value through surplus or deficit.

##### **Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## Accounting Policies

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### 1.3 Financial instruments (continued)

#### ***Financial instruments at cost***

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at cost which is deemed to be fair as they have a short-term maturity.

### 1.4 Tax

#### ***Current tax assets and liabilities***

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

#### ***Deferred tax assets and liabilities***

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

#### ***Tax expenses***

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.5 Income

Levy income is recognised on the accrual basis in accordance with the substance of the relevant agreement.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

Figures in Rand 2017 2016

## 2. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	118,332	(83,850)	34,482	118,332	(68,957)	49,375

### Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	49,375	(14,893)	34,482

### Reconciliation of property, plant and equipment - 2016

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	64,268	(14,893)	49,375

### Details of properties

Leasehold land and buildings include furniture and fixtures consisting of 10 cabanas on a property described as "Lot 900, Salt Rock", situated at 59 Hulett Drive, Salt Rock.

The leasehold land and buildings have been unrecognised as the right of use of the property is now reflected in the value of the shares and not in the company's financial statements as a result of the company given right of use of the company's assets to the share block holders.

The company has entered into a lease of the property from Salt Rock Beach Estates CC for a period of 99 years from 1 December 1987.

## 3. Share block holders' loans

Share block holders' loans (2,000,016) (2,000,016)

Share block holders are obliged, by way of agreement, to advance over a period of time, sufficient funds to enable the company to fund expenses. These loans from share block holders are interest free and are not repayable by the company, unless the share block holders elect to do so by special resolution or in the event they are only payable on the winding up of the company.

Share block holders' loans

	<b>(146,342)</b>	<b>(146,342)</b>
Non-current assets	1,853,674	1,853,674
Non-current liabilities	(2,000,016)	(2,000,016)
	<b>(146,342)</b>	<b>(146,342)</b>

## 4. Trade and other receivables

Salt Rock Beach Estates CC	-	77,796
S Strydom	26,735	-
	<b>26,735</b>	<b>77,796</b>

# Salt Rock Palms Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 31 December 2017

The share block holders' loan represents the value of the right of use of the leasehold property as described in note 2.of the company being wound up. All of the loans are ceded to the company for any outstanding obligations by share block holders

The share block holders' loan represents the value of the right of use of the leasehold property as described in note 2.of the company being wound up. All of the loans are ceded to the company for any outstanding obligations by share block holders

Figures in Rand	2017	2016
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	1,175	1,000
<b>6. Bank balances</b>	3,364,944	2,750,884
	<b>3,366,119</b>	<b>2,751,884</b>
<b>Share capital</b>		
<b>Authorised</b>		
1,632 Ordinary shares	1,632	1,632
<b>Issued</b>		
1,632 Ordinary shares	1,632	1,632
The issued share capital is apportioned between 510 share blocks. Ownership of a share block confers on the holder of the right of use of the share block, parking facilities and other such part of the company leased property for timesharing residential purposes only and the use of the common property in common with the other share block holders of the company and users of the remainder of the property.		
<b>7. Trade and other payables</b>		
Deposits received	600	-
Other accrued expenses	75,018	26,616
Salt Rock Beach Estates CC	10,045	-
Salt Rock Hotel (Pty) Ltd	65,290	60,892
Trade payables	395,606	401,419
VAT	15,096	12,502
	<b>561,655</b>	<b>501,429</b>
<b>8. Auditor's remuneration</b>		
Fees	18,946	21,895

# Salt Rock Palms Share Block (Pty) Ltd

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

9.

## Taxation

### Major components of the tax expense

#### Current taxation

South African normal tax - year	24,512	25,171
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10.

### Cash generated from operations

Surplus before taxation	519,661	481,522
<b>Adjustments for:</b>		
Depreciation	14,893	14,893
Interest received	(140,937)	(132,234)
<b>Changes in working capital:</b>		
Trade and other receivables	51,061	(32,175)
Trade and other payables	60,226	(160,042)
	<b>504,904</b>	<b>171,964</b>

### Directors' remuneration

11. No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Figures in Rand	2017	2016
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## 12. Related parties

### Relationships

Directors Refer to the directors' report

Entities in which L J Labidi and C R Hulett have an interest

Salt Rock Hotel

Salt Rock Beach Estates CC

### Related party balances and transactions with other related parties

#### Related party balances

#### Amounts included in trade receivables (trade payables) regarding related parties

Salt Rock Beach Estates CC	(10,045)	77,796
Salt Rock Hotel (Pty) Ltd	(65,290)	(60,982)

#### Related party transactions

#### Administration fees paid to (received from) related parties

Salt Rock Hotel (Pty) Ltd	222,323	207,270
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#### Rates paid to related parties

Salt Rock Beach Estates CC	62,865	60,184
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#### Refuse costs paid to related parties

Salt Rock Beach Estates CC	35,006	32,756
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## 13. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



# **Salt Rock Palms Share Block (Pty) Ltd**

(Registration number: 1988/005970/07)

Annual Financial Statements for the year ended 31 December 2017

## **MINUTES OF THE ANNUAL SHAREHOLDERS MEETING OF SALT ROCK PALMS SHARE BLOCK (PTY) LTD HELD IN QUEEN PALMS CONFERENCE CENTRE AT THE SALT ROCK HOTEL ON THE 15<sup>th</sup> July 2017 AT 10h00**

### **1 OPEN AND WELCOME**

- 1.1 Brian welcomed all present and made special mention of his mentor and very good friend John Meyer who sadly passed on earlier this year.
- 1.2 The members present as per attendance register.

### **2 ELECTION OF THE CHAIR FOR THE MEETING**

- 2.1 Craig Hulett proposed Brian Carr to act as chair of the meeting which was supported by the floor.

### **3 APOLOGIES, PROXIES AND QUORUM**

- 3.1 The Chair advised that as the notice was sent out timeously by email (in line with the MOI) and posted on the website including the proxies received and those present, constituted a quorum. Craig Hulett confirmed the necessary attendance.

### **4 ACCEPTANCE OF THE MINUTES OF THE PREVIOUS ASM**

- 4.1 The minutes were approved and there were no matters arising from same.
- 4.2 Proposed by Craig Hulett and seconded by George Lemke.

### **5 DIRECTOR'S REVIEW**

- 5.1 Under the Director's review a number of maintenance issues and purchases such as aircons, aluminium bed lights, linen and frost free fridges were discussed. Thanks were given to the hotel for attending to the maintenance necessary and for the synergy between the two companies.
- 5.2 There was no further discussion and the actions of the Directors were noted.

### **6 PRESENTATION OF FINANCIAL STATEMENTS**

- 6.1 The Chair advised that the financials reflected a healthy reserve position of the company.
- 6.2 With the introduction of the CSOS Act, owners will be expected to pay R9.71 per the week owned.
- 6.3 Craig Hulett said that the reserves were a good thing which ensured that no special levies would be expected to be raised as a result of the good financial position of the company.
- 6.4 There were no questions arising from the presentation.
- 6.5 Proposed by Craig Hulett and seconded by George Lemke.

### **7 APPROVAL OF THE AUDITORS REMUNERATION**

The Auditors fees were approved.

### **8 APPOINTMENT OF AUDITORS**

# Salt Rock Palms Share Block (Pty) Ltd

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Annual Financial Statements for the year ended 31 December 2017

- 8.1 As we have a good relationship with the existing Auditors, they will continue to be employed by the company.
- 8.2 It is noted that the auditors are expected to rotate and change audits every 5 years.
- 8.3 Proposed by Craig Hulett and seconded by George Lemke.

## 9 APPROVAL OF INSURANCE VALUES

- 9.1 The Chairman advised that there was adequate insurance cover and that documents were available to view at the timeshare office. Public liability has been increased to R10 Million.
- 9.2 Proposed Craig Hulett and seconded by George Lemke.

## 10 ELECTION OF DIRECTORS

- 10.1 There are no Directors standing down this year and all have made themselves available to stand. There were no new nominations received. Therefore the board remains the same.
- 10.2 Proposed Craig Hulett and seconded George Lemke.

## 11 DISSOLUTION OF MEETING

- 11.1 The Chair invited members to discuss any items of general interest after the dissolution of the formal part of the meeting.
- 11.2 After the chair thanked everyone for attending including Mosa Motsane from RCI the meeting was declared closed at 10h37.
- 11.3 Ann Lemke offered her thanks to everyone on the board.

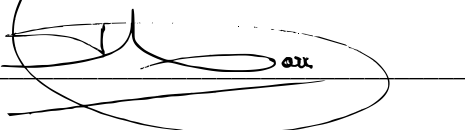
## 12 GENERAL

- 12.1 Ann Lemke enquired about the levy increases for 2018. Craig Hulett replied the setting of levies was not taken from the floor but rather at a Directors meeting and promised that levies would be contained as much as possible.
- 12.2 George Lemke enquired about the new DSTV Explora not being able to work at the timeshare. Craig Hulett agreed that we need to upgrade to keep in line with the times and that this would be looked into.
- 12.3 George Lemke requested an additional "Dirt Trapper" mat to be placed inside the front door.
- 12.4 George Lemke requested a 2nd grid on the braai and Craig Hulett confirmed the grid was being re designed.
- 12.5 A query was made about the cut off time of wedding music from the functions held on the beach. This will receive attention.

As there were no further matters for discussion the Chair dissolved the meeting at 10h49.

Approved and signed at Salt Rock on the 15<sup>th</sup> July 2017.

Signed: \_\_\_\_\_



ax